Corporate action notice/Insider information disclosure

"Information on resolutions taken by the Board of Directors of IDGC of the South, PJSC"

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| 1. General | | | | | | |
| 1.1. Full corporate name of the Issuer: | | | | **Public Joint Stock Company "Interregional Distribution Grid Company of the South”** | | |
| 1.2. Abbreviated corporate name of the Issuer: | | | | **IDGC of the South, PJSC** | | |
| 1.3. Location of the Issuer: | | | | **Rostov-on-Don, Russian Federation** | | |
| 1.4. OGRN of the Issuer: | | | | **1076164009096** | | |
| 1.5. TIN of the Issuer: | | | | **6164266561** | | |
| 1.6. Unique code of the Issuer, assigned by the registering authority: | | | | **34956-Е** | | |
| 1.7. The address of the Internet page used by the Issuer for information disclosures | | | | [**http://www.mrsk-yuga.ru**](http://www.mrsk-yuga.ru/)  [**http://www.e-disclosure.ru/portal/company.aspx?id=11999**](http://www.e-disclosure.ru/portal/company.aspx?id=11999) | | |
| 1.8. Event effective date (material fact) of which the message is composed (if applicable): | | | | **March 25, 2019** | | |
| 2. Notice content | | | | | | |
| 2.1. Quorum for a meeting of the Issuer's Board of Directors and the results of voting on decision-making issues: ***11 out of 11 members of the Board of Directors participated in the meeting, a quorum is present.***  Voting results:  **on issue No. 1 of the** agenda:  "PRO" is 10 votes;  "CON" is 1 vote;  "ABSTAIN" is 0 vote;  **on issue No. 2 of the** agenda:  "PRO" is 10 votes;  "CON" is 1 vote;  "ABSTAIN" is 0 votes;  **on issue No. 3 of the** agenda:  "PRO" is 10 votes;  "CON" is 0 votes;  "ABSTAIN" is 1 vote.  **on issue No. 4 of the** agenda:  "PRO" is 10 votes;  "CON" is 0 votes;  "ABSTAIN" is 1 vote.  **on issue No. 5 of the** agenda:  "PRO" is 10 votes;  "CON" is 0 votes;  "ABSTAIN" is 1 vote.  **on issue No. 6 of the** agenda:  "PRO" is 10 votes;  "CON" is 0 votes;  "ABSTAIN" is 1 vote. | | | | | | |
| **Insider information disclosure on issue No. 1: Preliminary approval of a resolution on the Company's execution of a transaction related to the alienation of immovable property constituting fixed assets, the purpose of which is not production, transmission, dispatching, distribution of electric and thermal energy - property of the Green Grove Recreation Center located at the address: Rostov region, Rostov-on-Don, Kirovsky district, Levoberezhnaya street, 23.** | | | | | | |
| 2.2.1. Resolution content adopted by the Issuer's Board of Directors:  Approve the resolution on the Company's execution of a transaction related to the alienation of immovable property constituting fixed assets, the purpose of which is not production, transmission, dispatching, distribution of electric and thermal energy - property of the Green Grove Recreation Center located at: Rostov region, Rostov-on-Don, Kirovsky district, Levoberezhnaya street, 23, on the following material conditions:   * the composition of the property to be disposed of is shown in Annex No. 1 to this Board resolution; * as of December 31, 2018, the balance (residual) value of the alienated property is 52,660,412.12 (fifty-two million six hundred sixty thousand four hundred twelve) roubles and 12 kopecks; * method of property alienation: sale of non-core assets of IDGC of the South, PJSC by means of a single lot through a public offer with the involvement of an agent for the sale of property and in accordance with the requirements of the Procedure for organizing the sale of non-core assets of IDGC of the South, PJSC, approved by the Company's Board of Directors; * initial offer price: the value equal to the initial price of the failed auction in the amount of 58,062,645 (fifty-eight million sixty-two thousand six hundred forty-five) roubles 00 kopecks excluding VAT; * minimum bid price (below the balance value): the value equal to 50 (fifty) percent of the initial offer price of 29,031,323 (twenty-nine million thirty-one thousand three hundred and twenty-three) RUB;   - procedure (term) of payment for property: by transfer of funds by the Buyer to the Seller's current account before the transfer of ownership of the property within 15 (fifteen) working days from the date of signing of the purchase agreement  by the parties. | | | | | | |
| **Insider information disclosure on issue No. 2: On preliminary approval of the resolution on the Company's execution of a transaction related to the alienation of immovable property constituting fixed assets, the purpose of which is not production, transmission, dispatching, distribution of electric and thermal energy - non-residential premises with a total area of 2,562.3 square meters located at the address: Rostov region, Rostov-on-Don, Leninsky district, Semashko al., 48.** | | | | | | |
| 2.2.2. Resolution content adopted by the Issuer's Board of Directors:  Approve the resolution on the Company's execution of a transaction related to the alienation of immovable property constituting fixed assets, the purpose of which is not production, transmission, dispatching, distribution of electric and thermal energy - non-residential premises with a total area of 2,562.3 square meters located at: Rostov region, Rostov-on-Don, Leninsky district, Semashko al., 48, on the following material conditions:  - the composition of the property to be disposed of is shown in Annex No. 2 to this Board resolution;   * as of December 31, 2018, the carrying value of the object is 2,944,396.04 (two million nine hundred forty four thousand three hundred ninety-six) roubles and 04 kopecks; * method of property alienation: sale of non-core assets of IDGC of the South, PJSC by means of a single lot through a public offer with the involvement of an agent for the sale of property and in accordance with the requirements of the Procedure for organizing the sale of non-core assets of IDGC of the South, PJSC, approved by the Company's Board of Directors; * initial offer price: cost, equal to the initial price of the failed auction, in the amount of 86,270,000.00 (eighty-six million two hundred and seventy thousand) roubles 00 kopecks, excluding VAT; * minimum bid price: value equal to 50 (fifty) percent of the initial offer price in the amount of 43,135,000 (forty three million one hundred and thirty-five thousand) 00 kopecks with the involvement of an agent for the sale of property; * procedure (term) of payment for property: by transfer of funds by the Buyer to the Seller's current account before the transfer of ownership of the property within 15 (fifteen) working days from the date of signing of the purchase agreement by the parties. | | | | | | |
| **Insider information disclosure on issue No. 3: On consideration of the results of anti-corruption monitoring of IDGC of the South, PJSC for 2018.** | | | | | | |
| 2.2.3. Resolution content adopted by the Issuer's Board of Directors:  Take into consideration the information on the results of the Anticorruption Monitoring for 2018 in accordance with Annex No. 3 hereto. | | | | | | |
| **Insider information disclosure on issue No. 4: On approval of the Timed action plan of IDGC of the South, PJSC on the reduction of overdue accounts receivable for services in electric power transmission and settlement of disagreements, formed as of January 1, 2019.** | | | | | | |
| 2.2.4. Resolution content adopted by the Issuer's Board of Directors:   1. Approve the Timed Action Plan of IDGC of the South, PJSC for reduction of overdue accounts receivable for electric power transmission services and settlement of disagreements as of January 1, 2019,   No. 4 to this resolution of the Company's Board of Directors.   1. Take into consideration the Report on the performance of the Timed Action Plan of measures of IDGC of the South, PJSC earlier approved by the Company's Board of Directors on the reduction of overdue accounts receivable for electric power transmission services and settlement of disagreements, formed as of October 1, 2018, according to Annex   No. 5 to this resolution of the Company's Board of Directors.   1. Take into consideration the Report on the work performed by IDGC of the South, PJSC in respect of newly formed overdue receivables for electric power transmission services in Q4 2018, in accordance with Annex 6 to this resolution of the Company's Board of Directors. 2. Take into consideration the Report of IDGC of the South, PJSC on repayment within 12 months of 2018 of overdue accounts receivable, established as of January 1, 2018, in accordance with Annex 7 to this resolution of the Company's Board of Directors. 3. Entrust the Single Executive Body of the Company with:    1. Ensure the repayment of overdue accounts receivable in 2019 of 6,050 million RUB from the amount as of January 1, 2019, including 1,192 million RUB in the Q1 2019, 3,736 million RUB in the Q2 2019, 292 million RUB in the Q3 2019 and 830 million RUB in the Q4 2019.    2. Ensure quarterly submission within the framework of this issue of information on the progress of execution of the order specified in p. 5.1. of this resolution (on an accrual basis from the   beginning of the year). | | | | | | |
| **Insider information disclosure on issue No. 5: On review of the internal audit report on implementation of the work plan and results of the internal audit activity, including results of the self-assessment of the quality of the internal audit activity based on the results of 2018, as well as on implementation of the action plan for development and improvement of the Company's internal audit activity.** | | | | | | |
| 2.2.5. Resolution content adopted by the Issuer's Board of Directors:  Approve the report on the implementation of the internal audit plan of IDGC of the South, PJSC for 2018, including the results of the self-assessment of the quality of the internal audit activity for 2018 as per Annex No. 8 to this resolution of the Company's Board of Directors. | | | | | | |
| **Insider information disclosure on issue No. 6: On approval of the Plan**  **of measures of IDGC of the South, PJSC, aimed at the prevention and suppression of violations of the requirements of the legislation of the Russian Federation on the electric power industry.** | | | | | | |
| 2.2.6. Resolution content adopted by the Issuer's Board of Directors:   1. Approve the Plan of measures of IDGC of the South, PJSC aimed at the prevention and suppression of violations of the requirements of the legislation of the Russian Federation on the electric power industry in accordance with Annex 9 to this resolution of the Company's Board of Directors. 2. Provide the General Director of IDGC of the South, PJSC with consideration by the Company's Board of Directors (with preliminary consideration by the Committee for Technological Connection to Power Grids of the Board of Directors of the Company) of reports on the progress of implementation of the Action Plan of IDGC of the South, PJSC, aimed at preventing and suppressing violations of the requirements of the Russian legislation on electric power industry.   Deadline: quarterly, starting in the Q1 2019. | | | | | | |
| * 1. Date of the meeting of the Issuer's Board of Directors at which the relevant resolutions were adopted: ***March 20, 2019.***   2. Date and number of the minutes of the meeting of the Issuer's Board of Directors at which the relevant resolutions were adopted: ***March 25, 2019, Minutes No. 306/2019.*** | | | | | | |
| 3. Signature | | | | | | |
| 3.1. Head of Corporate Governance and Shareholder Relations Department (by proxy No. 86-19 dated January 1, 2019) | | | | |  | Pavlova E.N. |
| (signature) L.S. |  |
| 3.2. Date | March | "26", | 2019 | | | |